

Texas Department of Banking

Press Release

Banking Commissioner Encourages State-Chartered Banks to Work with Customers Affected By Hurricane Rita

Date: September 21, 2005

Texas Banking Commissioner Randall S. James has encouraged state-chartered banks to be prepared to assist their customers affected by Hurricane Rita. The Texas Department of Banking realizes that the effects of natural forces such as Hurricane Rita will temporarily tax resources throughout the effected region. We fully expect state-chartered banks will be extremely busy doing their part to respond to community and customer needs during this situation. We also understand that the needs of individuals and businesses alike will change dramatically because of the effects of the Hurricane. As a result, we are encouraging state-chartered banks to be prudently responsive to community and customer needs. We fully anticipate that lenders may need to adjust terms or temporarily extend maturities where circumstances warrant and safety and soundness is not compromised. Inasmuch as banks in the affected area will be extremely busy addressing community needs in the next few weeks, we will offer to defer any scheduled examination of state-chartered banks in the area.

The Banking Commissioner is supportive of measures that will help borrowers recover and provide an opportunity to ultimately repay their loans. "Additionally, the examination deferral will allow institutions to appropriately focus efforts on their customers and not be distracted by the demands of a regulatory examination," Commissioner James stated.

State-chartered banks that have any questions related to lending activity with customers affected by the flood or examination deferral questions should contact the Texas Department of Banking at 512-475-1300.